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INFO RHEHNSC/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATE
RUEHBR/AMEMBASSY BRASILIA PRIORITY 0041
RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 8995

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SUBJECT: MEDIA REACTION: GLOBAL ECONOMY

Latin America and the Crisis: an anti-cyclical and progressive answer

Op-Ed in business-oriented Valor Economico (1-26) by Marcelo M. Giugale, World Bank Director of Economic Policy and Poverty Reduction for Latin America and the Caribbean: "Latin American governments need to amortize the impact of the global financial crisis. They do not have many tools to do this. But they do have one that is particularly powerful, as it encourages both economic growth and social fairness: the transformation of subsidies for all into subsidies for all the poor....Latin America spends annually between 5% and 10% of its GDP on subsidies....This crisis is an opportunity [to direct the subsidies to the homes that need it most]."
White